

SENATE BILL 2368
By Finney R.

HOUSE BILL 2389

By McCord

AN ACT to amend Chapter 510 of the Private Acts of 1919; as amended by Chapter 85 of the Private Acts of 1971; Chapter 144 of the Private Acts of 1977; Chapter 145 of the Private Acts of 1996 and Chapter 89 of the Private Acts of 2000; and any other acts amendatory thereto, relative to the purchasing law for the City of Alcoa.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Chapter 510 of the Private Acts of 1919; as amended by Chapter 85 of the Private Acts of 1971; Chapter 144 of the Private Acts of 1977; Chapter 145 of the Private Acts of 1996 and Chapter 89 of the Private Acts of 2000; and any other acts amendatory thereto, is amended in Article 7, Section 2 by deleting subsection (h) in its entirety and by substituting instead the following:

(h) To act as purchasing agent of the city and to have purchased all material, supplies and equipment for the proper conduct of the city's business. However, the City Manager may name another person to carry out the duties and responsibilities of this position.

All purchases, leases, and lease purchase agreements under one thousand five hundred dollars (\$1,500) may be made without specific authorization of the Board of Commissioners by the City Manager or the City Manager's designee. For general fund purchases between one thousand five hundred dollars (\$1,500) and ten thousand dollars (\$10,000), oral, written, or electronic quotes are required without requesting bids through public advertisement. Also for the general fund, no purchase shall be made at any one time in an amount which, in the aggregate, will

exceed ten thousand dollars (\$10,000) unless bids shall have been requested through public advertisement.

For enterprise funds purchases, leases, and lease purchase agreements between one thousand five hundred dollars (\$1,500) and twenty-five thousand dollars (\$25,000) oral, written or electronic quotes are required without requesting bids through public advertisement. Also for enterprise funds, no purchase shall be made at any one time in an amount which, in the aggregate, will exceed twenty-five thousand dollars (\$25,000) unless bids shall have been requested through public advertisement.

Exemptions to the aforementioned competitive bidding procedures may be made for:

(1) Sole source purchases in accordance with, and described in Tennessee Code Annotated, Section 6-56-304(2);

(2) Emergency purchases in accordance with, and described in Tennessee Code Annotated, Section 6-56-304(3);

(3) Purchases from nonprofit corporations such as, but not limited to, the Local Government Corporation, as described in Tennessee Code Annotated, Section 6-56-302(5);

(4) Purchases, leases, or lease-purchases of real property, as described in Tennessee Code Annotated, Section 6-56-304(5);

(5) Purchases, leases, or lease-purchases from any federal, state, or local governmental unit or agency of secondhand articles or equipment or other materials, supplies, commodities, and equipment, as described in Tennessee Code Annotated, Section 6-56-304(6);

(6) Purchases of perishable commodities, when such items are purchased in the open market. A record of all such purchases shall be made by the person or body authorizing such purchases and shall specify the

amount paid, the items purchased, and from whom the purchase was made.

A report of such purchases shall be made, at least monthly, to the chief executive officer and the governing body, and shall include all items of information as required in the record. Fuel and fuel products may be purchased in the open market without public advertisement, but shall, whenever possible, be based on at least three (3) competitive bids. Fuel and fuel products may be purchased from the department of general services' contract where available, as described in Tennessee Code Annotated, Section 6-56-304(7);

(7) Purchases, for resale, of natural gas and propane gas, as described in Tennessee Code Annotated, Section 6-56-304(8);

(8) Purchases made under the provisions of Tennessee Code Annotated, Title 12, Chapters 2, 3, 4, and 9;

(9) Investments in or purchases from the pooled investment fund established pursuant to Tennessee Code Annotated, Title 9, Chapter 4, Part 7;

(10) Insurance in accordance with, and described in Tennessee Code Annotated, Section 29-20-407; and

(11) Purchases from state industries in accordance with, and described in Tennessee Code Annotated, Sections 41-22-119 through 121.

The following limited procedures shall be followed by the City Manager acting as Purchasing Agent, or his designee, in regard to the competitive bid process:

(1) All purchases shall be made within the limits of the approved budget unless such expenditures are judged necessary and specifically authorized by the City Manager. Approval limits shall be consistent with authorizations herein described and approved by the Commission, when required.

(2) Appropriations, when required, for the department, office or agency for which the purchase is made shall also fall within authorized budgeted limits.

(3) Requests for purchases requiring competitive bidding shall be approved by the City Manager.

(4) Purchases requiring competitive bidding shall be advertised in a newspaper or other publication of general circulation.

(5) Sealed bids will be accepted at city hall typically a minimum of ten (10) days after the appearance of the ad in the newspaper or publication. Depending upon the good or service required, additional lead time may extend bid opening deadlines to as many as twenty-one (21) days.

(6) Bids will be collected and sealed in conformity with formal ethical opening practices involving the public trust. Such opening procedures shall be in a public forum at the place and time designated in the advertisement, typically within the department of Purchasing. Bidder responses will be evaluated on bid responsiveness and bidder responsibility to stated specifications and conditions.

(7) Purchasing and requesting agency(s) will make evaluative recommendations to the City Manager and Commission. Bids will be awarded by the governing body and executed by the City Manager.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 3. This act shall have no effect unless it is approved by a two thirds (2/3) vote of the legislative body of the City of Alcoa. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body and shall be certified by such

presiding officer to the secretary of state.

SECTION 4. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect upon being approved as provided in Section 3.